

VZCZCXRO1603  
OO RUEHGA RUEHHA RUEHQU RUEHVC  
DE RUEHOT #0452/01 0932054  
ZNY CCCCC ZZH  
O 022054Z APR 08  
FM AMEMBASSY OTTAWA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7616  
INFO RUCNCCAN/ALL CANADIAN POSTS COLLECTIVE PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 000452

SIPDIS

SIPDIS

E.O. 12958: DECL: 04/02/2018

TAGS: PGOV PTER CA

SUBJECT: UNLIKELY SPRING FEDERAL ELECTION IN CANADA

REF: A. OTTAWA 394

1B. OTTAWA 257

Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

11. (C) Summary. The Liberal Party is disinclined to pursue a federal election in the spring, and possibly not even in fall 2008. Organization and finances remain problems, as does the weak popularity of its leader, Stephane Dion. Three new Liberal Members of Parliament from the March 17 by-elections have now taken office, but a new poll shows dismal prospects for the Liberals in vote-rich Quebec province. The best guess at this point remains that the Commons will continue to sit at least until its summer break begins in June, and that -- barring some dramatic unforeseen event or issue -- fall 2008 will bring more of the same. The government may be able in the spring session to get a Commons vote of approval for the revised Anti-Terrorism Act (which the Senate has already passed) and various additional required budget bills, but probably not much more. End Summary.

12. (C) Liberal Party National Director Greg Fergus confirmed to PolMinCouns on April 2 that the Liberals now saw "zero" prospects for bringing down the Conservative government of Prime Minister Stephen Harper in the remaining ten weeks of the spring session of the House of Commons. He admitted that party leader Dion and Deputy Leader Michael Ignatieff had initially been much more in favor of pushing for an early election, but commented that "cooler heads" within the party caucus -- "especially me" -- had convinced them of the folly of pursuing this course. Fergus said that he had argued successfully that the Liberals could not expect any better results than its current Commons standings any time soon, and would be better off to conserve party financial and human resources for a later campaign. He explained that the Conservatives remained far ahead of the Liberals in fund-raising, but said that the Liberals were about to engage in a new push to collect more from small donors, drawing lessons in part from the innovative Internet-based approaches by candidates in the current U.S. Presidential campaign, which Fergus said Canadians were watching with fascination. He added that the unprecedented Canadian obsession with the U.S. Presidential primaries might well argue against seeking a fall 2008 federal election here, upping the prospects that the next Canadian election would slip until 2009, even possibly until the fixed date of October 19. He noted, however, that the government would have to announce by June 2008 the dates (which it could nonetheless schedule whenever it wanted) for two federal by-elections in Quebec ridings, while predicting that the Liberals would at least easily retain the seat a Liberal member was giving up (the other seat now belongs to the Bloc Quebecois).

13. (C) Fergus also confessed that earlier Liberal hopes that Dion's popularity would grow as the public "got to

"know him" better had dimmed, despite efforts to jazz up his image with more stylist eyeglasses and plenty of speaking opportunities around the country. He expressed some frustration that the party had been unable so far to pinpoint any potential issue over which to defeat the government in the Commons and then to use on the campaign trail. Perhaps the closest it had come, he commented, was with a Liberal-sponsored private member's bill giving tax exemptions for contributions to private education savings plan. The Commons passed the bill in March -- apparently, to the surprise of the Conservatives -- only to have the Qto the surprise of the Conservatives -- only to have the government virtually kill it in its budget implementation bill (which the Liberals then allowed to pass by abstention). Fergus opined that, whatever issue eventually brought down the government, the key issues in the next campaign would likely end up being different, and would almost certainly boil down to "character and leadership." He claimed that the Liberals had benefited by default from the ongoing inquiries (first, by the House Ethics Committee, and soon by a respected academic appointed by the Prime Minister) into the ties between former Conservative Prime Minister Brian Mulroney and German-Canadian lobbyist Karlheinz Schreiber. At the very least, Fergus argued, the Conservatives would not be able in the next election to use allegations of corruption or cronyism against the Liberals, as they had effectively in ¶2006. He commented, however, that negative campaigning typically did not work well in Canada.

¶4. (SBU) The mild Liberal "bounce" from the March 17 by-elections (ref a) was briefly evident as the three new Liberal Members of Parliament (and one Conservative) took their oaths of office with the re-opening of the Commons on March 31. All three new Liberal members were quickly on their feet with pointed questions during Question Period.

OTTAWA 00000452 002 OF 002

Liberal Foreign Affairs Critic Bob Rae won widespread applause when he rose again after years out of Parliament. He also surprised fellow members by publicly embracing Deputy Liberal leader Ignatieff -- a one-time close friend but bitter rival in the 2005 Liberal leadership race -- leading Prime Minister Harper to quip that he was "still trying to recover from the shows of affection over there."

¶5. (SBU) A March 13-26 CROP poll in Quebec province underscored the difficulties the Liberals would face in the next federal election, at least in that province (which is second only to Ontario in the number of seats in the Commons). The Conservatives were almost neck-in-neck with the Bloc Quebecois in support (29 to 30 pct), while the Liberals lagged at 20 pct. More striking was the antipathy among francophones (85 pct of the population) and in Quebec City: only 15 pct of the former supported the Liberals (versus 35 and 30 pct for the Bloc and Conservatives, respectively), while only 14 pct of the latter would vote for the Liberals, well behind not only the Conservatives (41 pct), the Bloc (25 pct) but even the New Democratic Party (17 pct).

¶6. (C) Comment: With spring finally imminent in Ottawa, the Liberals' winter blahs are still palpable and unlikely to disappear anytime soon. This is good news for the Conservatives' grip on power -- except for those Tories who would prefer soon to face an election that some continue to believe might bring them to a majority in the Commons. The best guess at this point remains that the Commons will continue to sit at least until its summer break begins in June, and that -- barring some dramatic unforeseen event or issue -- fall 2008 will bring more of the same. The government may be able in the spring session to get a Commons vote of approval for the revised Anti-Terrorism Act (which the Senate has already passed) and various required additional budget bills, but probably not much more.

Visit CanadaQs Economy and Environment Forum at  
<http://www.intelink.gov/communities/state/canada>

WILKINS